

**NATIONAL FERTILIZER MARKETING LIMITED**

53 - Gulberg Road, P.O.Box 610, Lahore. Phones: 7586821-25, 7588053-57 Fax: 042-7586755

C-0041/2539

December 01, 2009.

Chairman
Transparency International
5-C, 2nd Floor, Khayaban-e-Ittehad
Phase-VII, DHA
Karachi.

Subject: **VIOLATION OF PPRA PROCUREMENT RULES 2004**

Dear Sir,

This refers to your letter dated 24.11.2009 regarding subject.

2. It is clarified that NFML never restricted to single cartage contractor for transportation of imported fertilizer from ports. The tenderers who quote higher rates are also offered to perform at lowest offered rate, if they so desired, in line with laid down procedure.

3. By the grace of God, in NFML history appointment of cartage contractor has always taken place in competitive environments and monopolies have never been allowed to act.

4. You should appreciate that for our present KPT tender six cartage contractors have been approved. It may be noted that, all requirements according to Rule 23 of PPRA, mentioned in your letters are being followed.

Yours faithfully,

(QUDARATULLAH)

Senior Manager (Commercial)

- c.c. - Chairman Public Accounts Committee, National Assembly, Islamabad
- Auditor General Pakistan, Islamabad
- Managing Director, PPRA, Islamabad.

**NATIONAL FERTILIZER MARKETING LIMITED**

53 - Gulberg Road, P.O.Box 610, Lahore. Phones: 7586821-25, 7598053-57 Fax: 942-7586755

No.MD-015/2538

December 01, 2009.

Chairman
Transparency International
5 C, 2nd Floor, Khasbakhsh Tower
Phase-VII, DHA
Karachi.

Subject: TRANSPORTATION OF FERTILIZER FROM GWADAR PORT

Dear Sir,

Please refer to your letter dated 26th November 2009, regarding transportation of fertilizer from Gwadar Port.

2. It is not based on facts that NFML has awarded transportation contract to three contractors for 200,000 tons each. It is clarified that government is importing 600,000 M.Tons Urea, out of which 35% transportation is allocated to local transporters as per distribution policy approved by MOI&P in its meeting held on 12.10.2009 under the chairmanship of Minister for Industries & Production. DCO Gwadar will distribute the allocation among local transporters against their total share. Remaining 65% of total import is being lifted by more than 12 contractors as per MOI&P's laid down policy. In total more than 15 approved contractors are lifting Urea from Gwadar port.

3. It is incorrect that they all are traders and not owners of transport fleet. It is not possible for traders to take up the task of transportation, since it involves highly responsible and technical expertise to handle huge volume of cargo. All the contractors are experienced transporters who have proved their performance with TCP, NLC, Provincial Food Department and most of them are also having contracts of lifting wheat and sugar. Moreover these approved contractors have not sufficient transport fleet to cater the requirement at their own; they also hire local transport from market.

4. The rates of NFML are lower than TCP, NLC and Punjab Provincial Food Department for most of the destinations and as such NFML is saving huge amount of government exchequer.

5. You would appreciate that NFML has set record of dispatches from Gwadar Port by touching 14,500 M.Tons dispatch of Urea in 24 hours.

Contd...p/2.

6. It is pointed out that government has imported record quantity of 308,000 M.Tons Urea in the month of November 2009. Lifting was going well but unluckily due to rift of Baloch and other contractors dispatches remained suspended for 6-7 days in November. In addition it is ground reality that truckers suspend their activities before and after Eid for 8 to 10 days which has affected dispatches from Gwadar Port.

7. Due to mentioned facts Urea stocks have piled up at plinth. However, as safety measures the stocks have been covered with tarpaulins/polypropylene to avoid weather effect. The polyethylene liner with WPP bags are also strong protector against these risks.

8. NFML has followed PPRA rules throughout tender process for appointment of cartage contractors. There is no violation of laid down procedure.

Yours faithfully,


(QUDARATULLAH)
Senior Manager (Commercial)

- c.c. - Chairman Public Accounts Committee, National Assembly,
Islamabad
- Auditor General Pakistan, Islamabad
- Managing Director, PPRA, Islamabad.